



# Conference Call – Q3/2015 Results

October 29, 2015



## Safe Harbor Statement

This presentation contains forward-looking statements that are subject to various risks and uncertainties. Future results could differ materially from those described in these forward-looking statements due to certain factors, e.g. changes in business, economic and competitive conditions, regulatory reforms, results of clinical trials, foreign exchange rate fluctuations, uncertainties in litigation or investigative proceedings, and the availability of financing. Fresenius does not undertake any responsibility to update the forward-looking statements contained in this presentation.





## Fresenius Group: Financial Results

		Q3/15	Q1-3/15
<b>Sales</b>		€6,940 m	€20,369 m
	Growth cc	7%	11%
	Growth actual rates	16%	22%
<b>EBIT<sup>1</sup></b>		€1,027 m	€2,849 m
	Growth cc	12%	14%
	Growth actual rates	25%	28%
<b>Net income<sup>1</sup></b>		€367 m	€1,009 m
	Growth cc	20%	19%
	Growth actual rates	31%	31%

<sup>1</sup> Before special items

For a detailed overview of special items please see the reconciliation tables on slides 26 – 27.

## Fresenius Group: Financial Results by Business Segment

		Q3/15	Growth Q3 YoY	Q1-3/15	Growth Q1-3 YoY
 <b>FRESENIUS MEDICAL CARE</b>	Sales	US\$4,231 m	3%	US\$12,390 m	8%
	EBIT	US\$614 m	4%	US\$1,665 m	5%
 <b>FRESENIUS KABI</b>	Sales	€1,499 m	16%	€4,431 m	18%
	EBIT <sup>1</sup>	€301 m	35%	€872 m	38%
 <b>FRESENIUS HELIOS</b>	Sales	€1,393 m	2%	€4,167 m	7%
	EBIT <sup>1</sup>	€165 m	12%	€472 m	19%
 <b>FRESENIUS VAMED</b>	Sales	€268 m	4%	€731 m	12%
	EBIT	€14 m	17%	€30 m	11%

<sup>1</sup> Before special items

For a detailed overview of special items please see the reconciliation tables on slides 26 – 27.

## Q3 Business Segment Update



### Continued strong sales and EBIT growth

#### Regional development

##### North America

- IV drug shortages situation largely unchanged from Q2
- 7 product launches YTD
- Expected 2015 organic sales growth range 13 – 15%

##### Europe

- Fully on track to meet FY organic sales growth guidance of 3 – 5%

##### Emerging Markets

- Expected 2015 Emerging Market organic sales growth in the mid to high single-digits
- China: High single-digit organic sales growth expected for FY/2015
- Latin America: Double-digit organic sales growth expected for FY/2015

#### Kabi efficiency program

- €100 m efficiency program fully on track;  
€50 m booked in Q1-3, remainder of approx. €50 m to be recorded in Q4/2015

## Q3 Business Segment Update



### Hospital business fully on track

- Further sequential margin expansion (20 bps) reflects continued successful integration of acquired Rhön hospitals
- Ongoing favorable reimbursement environment in 2016; DRG inflator set at 2.95%, final price increase will be lower, as it is subject to negotiations at the state level and surplus treatments continue to be reimbursed at a discount



### Continued organic sales growth

- Service business (+9%) drives organic sales growth in Q3
- Strong order intake of €192 m in Q3
- New market entry in Bolivia (turnkey project €56 m)

## Group Financials Q3/15 – Outlook 2015



## Fresenius Group: Profit and Loss Statement

€m	Q3/15	Growth Q3 YoY		Q1-3/15	Growth Q1-3 YoY	
		actual rates	constant rates		actual rates	constant rates
Sales	6,940	16%	7%	20,369	22%	11%
EBIT <sup>1</sup>	1,027	25%	12%	2,849	28%	14%
Net interest	-146	1%	10%	-476	-10%	1%
Income taxes <sup>1</sup>	-262	-33%	-19%	-703	-33%	-17%
Net income <sup>2</sup>	367	31%	20%	1,009	31%	19%

<sup>1</sup> Before special items

<sup>2</sup> Net income attributable to shareholders of Fresenius SE & Co. KGaA; before special items

For a detailed overview of special items please see the reconciliation tables on slides 26 – 27.



## Fresenius Kabi: Strong EBIT Growth

€m	Q3/15	Growth Q3 YoY	Q1-3/15	Growth Q1-3 YoY
Europe	83	8%	257	13%
Margin	16.1%	110 bps	16.4%	160 bps
North America	202	52%	605	44%
Margin	38.2%	240 bps	38.9%	140 bps
Asia-Pacific/Latin America/Africa	92	28%	225	25%
Margin	20.2%	260 bps	17.2%	90 bps
Corporate and Corporate R&D	-76	-29%	-215	-12%
<b>Total EBIT</b>	<b>301</b>	<b>35%</b>	<b>872</b>	<b>38%</b>
at constant currency		19%		19%
<b>Margin</b>	<b>20.1%</b>		<b>19.7%</b>	

EBIT before special items

For a detailed overview of special items please see the reconciliation tables on slides 26 – 27.






## Fresenius Helios: Strong EBIT margin increase

€m	Q3/15	Growth Q3 YoY	Q1-3/15	Growth Q1-3 YoY
<b>Total sales</b>	<b>1,393</b>	<b>2%</b>	<b>4,167</b>	<b>7%</b>
<b>EBIT</b>				
Established clinic portfolio	165	12%	463	17%
Margin	11.9%	110 bps	11.7%	150 bps
Acquisitions	0		9	
(consolidation <1 yr)	0%		4.6%	
Margin				
<b>Total EBIT</b>	<b>165</b>	<b>12%</b>	<b>472</b>	<b>19%</b>
<b>Margin</b>	<b>11.8%</b>	<b>100 bps</b>	<b>11.3%</b>	<b>110 bps</b>

EBIT before special items

For a detailed overview of special items please see the reconciliation tables on slides 26 – 27.

## Cash Flow Development








€m	Operating CF		Capex (net)		Free Cash Flow <sup>1</sup>	
	Q3/15	LTM Margin	Q3/15	LTM Margin	Q3/15	LTM Margin
	235	13.7%	-64	-5.8%	171	7.9%
	155	9.8%	-57	-4.7%	98	5.1% <sup>3</sup>
	0	-0.8%	-1	-1.0%	-1	-1.8%
Corporate/ Other	-11	n.a.	-3	n.a.	-14	n.a.
 excl. FMC	<b>379</b>	<b>11.2%</b> <sup>2</sup>	<b>-125</b>	<b>-5.0%</b>	<b>254</b>	<b>6.2%</b> <sup>2</sup>
 Group	<b>900</b>	<b>11.3%</b>	<b>-327</b>	<b>-5.2%</b>	<b>573</b>	<b>6.1%</b>

<sup>1</sup> Before acquisitions and dividends

<sup>2</sup> Margin incl. FMC dividend

<sup>3</sup> Understated: 5.8% excluding €37 million of capex commitments from acquisitions

## Fresenius Group: New Outlook for Fresenius Kabi and Fresenius Vamed

		Guidance	New	
<b>Fresenius Kabi</b>	Sales growth organic	6% – 8%	~8%	
	EBIT growth constant currency	18% – 21%	19% – 22%	
<b>Fresenius Helios</b>	Sales growth organic	3% – 5%	3% – 5%	
	Sales growth reported	6% – 9%	6% – 9%	
	EBIT	€630 – 650 m	€630 – 650 m	
<b>Fresenius Vamed</b>	Sales growth organic	single-digit %	5% – 10%	
	EBIT growth	5% – 10%	5% – 10%	

## Fresenius Group: Earnings guidance increased

	Guidance	New	
Revenue growth at constant currency	8% – 10%	8% – 10%	✓
Net income growth <sup>1</sup> at constant currency	18% – 21%	20% – 22%	↑

<sup>1</sup> Net income attributable to shareholders of Fresenius SE & Co. KGaA; 2015 before integration costs for hospitals of Rhön-Klinikum AG (€12 m before tax), before costs for efficiency program at Fresenius Kabi (~€100 m before tax) and disposal gains from the divestment of two HELIOS hospitals (€34 m before tax); 2014 before special items

## Attachments



## Fresenius Group: Overview – Calculation of Noncontrolling Interest

€m

Earnings before tax and noncontrolling interest

Taxes

Noncontrolling interest, thereof

Fresenius Medical Care net income not attributable to  
Fresenius (Q3/15: ~69%)

Noncontrolling interest holders in Fresenius Medical Care  
(Q1-3/15: US\$207 m according to Fresenius Medical  
Care's Financial Statements)

Noncontrolling interest holders in Fresenius Kabi (-€21 m),  
Fresenius Helios (-€6 m), Fresenius Vamed (-€1 m) and due  
to Fresenius Vamed's 23% external ownership (-€5 m)

Net income attributable to Fresenius SE & Co. KGaA

**Q1-3/15**

**FY/14**

2,345

2,512

-685

-700

-661

-745

-442

-542

-186

-161

-33

-42

999

1,067






## Fresenius Group: Cash Flow

€m	Q3/15	LTM Margin	Q3/14	LTM Margin	Growth YoY
<b>Operating Cash Flow</b>	<b>900</b>	<b>11.3%</b>	<b>945</b>	<b>11.1%</b>	<b>-5%</b>
Capex (net)	-327	-5.2%	-316	-5.6%	-3%
<b>Free Cash Flow</b> (before acquisitions and dividends)	<b>573</b>	<b>6.1%</b>	<b>629</b>	<b>5.5%</b>	<b>-9%</b>
Acquisitions (net)	-47		-444		89%
Dividends	-59		-64		8%
<b>Free Cash Flow</b> (after acquisitions and dividends)	<b>467</b>	<b>1.4%</b>	<b>121</b>	<b>-14.0%</b>	<b>--</b>

Margin = in % of sales



## Cash Flow Development LTM as of September 30

€m	Operating CF		Capex (net)		Free Cash Flow <sup>1</sup>	
	LTM Sept. 30	LTM Margin	LTM Sept. 30	LTM Margin	LTM Sept. 30	LTM Margin
	798	13.7%	-337	-5.8%	461	7.9%
	540	9.8%	-258	-4.7%	282	5.1% <sup>3</sup>
	-9	-0.8%	-11	-1.0%	-20	-1.8%
Corporate/ Other	-16	n.a.	-9	n.a.	-25	n.a.
	<b>1,313</b>	<b>11.2%<sup>2</sup></b>	<b>-615</b>	<b>-5.0%</b>	<b>698</b>	<b>6.2%<sup>2</sup></b>
	<b>3,041</b>	<b>11.3%</b>	<b>-1,407</b>	<b>-5.2%</b>	<b>1,634</b>	<b>6.1%</b>

<sup>1</sup> Before acquisitions and dividends

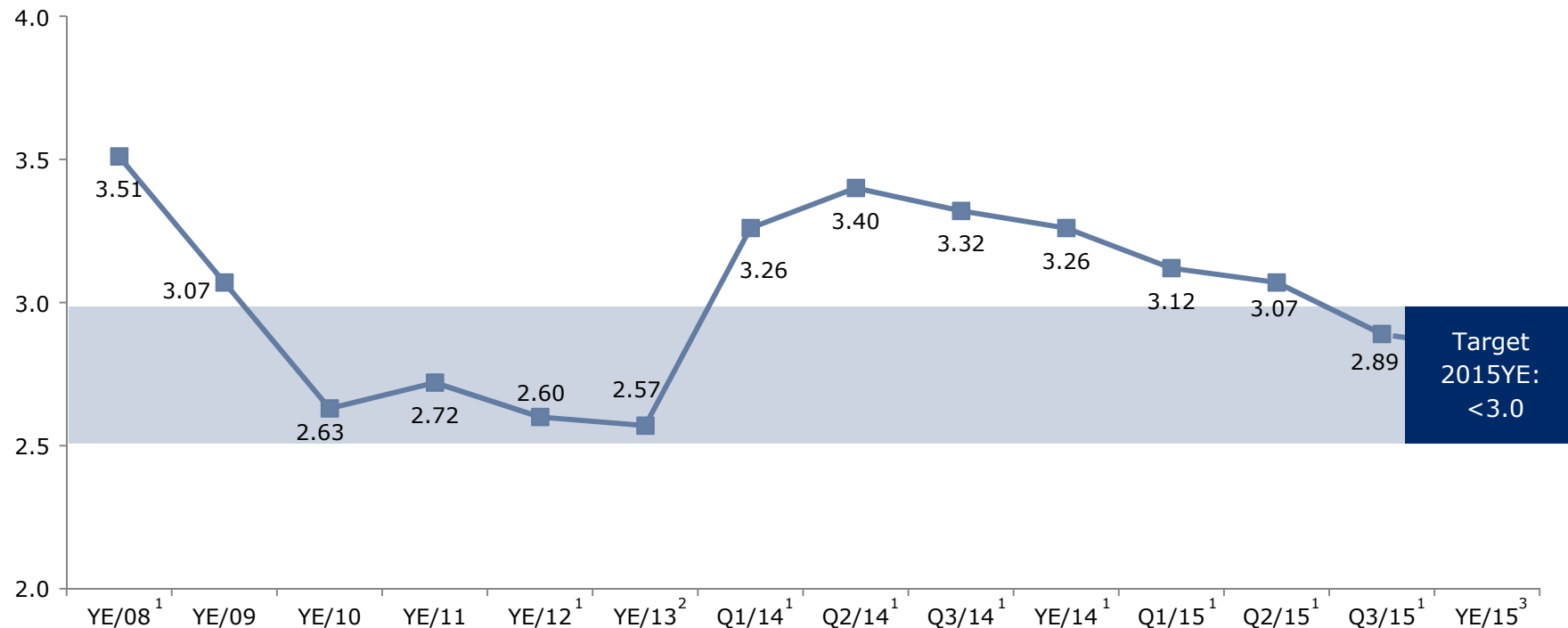
<sup>2</sup> Margin incl. FMC dividend

<sup>3</sup> Understated: 5.8% excluding €37 million of capex commitments from acquisitions

Margin = in % of sales

# Fresenius Group: Leverage Ratio

**Net debt/EBITDA** (at average FX rates for the last twelve months for both net debt and EBITDA)



<sup>1</sup> Pro forma acquisitions; before special items

<sup>2</sup> Pro forma excluding advances made for the acquisition of hospitals from Rhön-Klinikum AG; before special items

<sup>3</sup> Before special items; without major acquisitions

## Fresenius Kabi: Strong Organic Sales Growth

€m	Q3/15	Organic Growth Q3 YoY	Q1-3/15	Organic Growth Q1-3 YoY
I.V. Drugs	611	23%	1,802	19%
Clinical Nutrition	395	5%	1,167	7%
Infusion Therapy	236	3%	704	1%
Medical Devices/ Transfusion Technology	257	-1%	758	-1%
<b>Total sales</b>	<b>1,499</b>	<b>10%</b>	<b>4,431</b>	<b>9%</b>

## Fresenius Kabi: Strong Organic Sales Growth

€m	Q3/15	Organic Growth Q3 YoY	Q1-3/15	Organic Growth Q1-3 YoY
Europe	514	4%	1,566	4%
North America	529	22%	1,555	16%
Asia-Pacific	298	4%	862	4%
Latin America/Africa	158	14%	448	12%
<b>Total sales</b>	<b>1,499</b>	<b>10%</b>	<b>4,431</b>	<b>9%</b>

## Fresenius Helios: Sales Growth

€m	Q3/15	Growth Q3 YoY	Q1-3/15	Growth Q1-3 YoY
Established clinic portfolio	1,387	2%	3,970	3%
Acquisitions (consolidation <1 yr)	6		197	
<b>Total sales</b>	<b>1,393</b>	<b>2%</b>	<b>4,167</b>	<b>7%</b>

## Fresenius Helios: Performance Indicators

	Q1-3/15	Q1-3/14	Change
<b>No. of hospitals<sup>1</sup></b>	<b>111</b>	<b>110</b>	<b>1%</b>
- Acute care clinics	87	86	1%
- Post-acute care clinics	24	24	0%
<b>No. of beds<sup>1</sup></b>	<b>34,315</b>	<b>34,188</b>	<b>0%</b>
- Acute care clinics	29,153	29,068	0%
- Post-acute care clinics	5,162	5,120	1%
<b>Admissions</b>			
- Acute care (inpatient)	891,654	850,775	5%
<b>Occupancy</b>			
- Post-acute care	84%	84%	
<b>Average length of stay (days)</b>			
- Acute care <sup>2</sup>	6.5	6.6	
- Post-acute care	26.5	26.6	

<sup>1</sup> December 31, 2014

<sup>2</sup> German average (2013): 7.5

## Fresenius Helios: Sales Influence Hospital Acquisitions / Divestitures

### Acquisitions

Hospitals from  
Rhön-Klinikum

### Annualized sales

~€1.9 bn

~70% consolidated as of  
January 1, 2014

~20% consolidated as of  
March 1, 2014

HSK consolidated as of  
June 30, 2014

~€40 m

Cuxhaven consolidated as of  
August 1, 2014

Diekholzen

~€8 m

consolidated as of  
April 1, 2015

### Divestitures

Hospitals Borna, Zwenkau

~€90 m

Deconsolidated as of  
February 1, 2014

## Fresenius Vamed: Strong Sales Growth

€m	Q3/15	Growth Q3 YoY	Q1-3/15	Growth Q1-3 YoY
Project business	131	-2%	333	9%
Service business	137	10%	398	14%
<hr/> Total sales	268	4%	731	12%
Total EBIT	14	17%	30	11%
Margin	5.2%	50 bps	4.1%	0 bps
Order intake <sup>1</sup>	192	-49%	476	-30%
Order backlog <sup>1</sup>			1,528	9% <sup>2</sup>

<sup>1</sup> Project business only

<sup>2</sup> December 31, 2014



## Fresenius Group: Key Figures According to IFRS

€m	Q1-3/15 U.S. GAAP	Q1-3/15 IFRS
Sales	20,369	20,656
EBIT <sup>1</sup>	2,849	2,851
Net interest	-476	-476
Net income <sup>2</sup>	999	984
Net income <sup>3</sup>	1,009	996
Operating Cash flow	2,151	2,161
Balance sheet total	42,169	42,277

<sup>1</sup> Before special items

<sup>2</sup> Net income attributable to shareholders of Fresenius SE & Co. KGaA

<sup>3</sup> Net income attributable to shareholders of Fresenius SE & Co. KGaA, before special items

## Reconciliation according to U.S. GAAP Q3 2015 / Q3 2014

The Group's U.S. GAAP financial results as of September 30, 2015 and September 30, 2014 comprise special items. Net income attributable to shareholders of Fresenius SE & Co. KGaA was adjusted for these special items. The table below shows the special items and the reconciliation from net income (before special items) to earnings according to U.S. GAAP.

€m	Q3/2015 before special items	efficiency program	integration costs for acquired Rhön hospitals	Q3/2015 according to U.S. GAAP (incl. special items)	Q3/2014 before special items	Fenwal integration costs	integration costs for acquired Rhön hospitals	Q3/2014 according to U.S. GAAP (incl. special items)
<b>Sales</b>	6,940			6,940	5,978			5,978
<b>EBIT</b>	<b>1,027</b>	<b>-10</b>	<b>-4</b>	<b>1,013</b>	<b>820</b>	<b>-3</b>	<b>-4</b>	<b>813</b>
Interest result	-146			-146	-148			-148
<b>Net income before taxes</b>	<b>881</b>	<b>-10</b>	<b>-4</b>	<b>867</b>	<b>672</b>	<b>-3</b>	<b>-4</b>	<b>665</b>
Income taxes	-262	4		-258	-197	1	1	-195
<b>Net income</b>	<b>619</b>	<b>-6</b>	<b>-4</b>	<b>609</b>	<b>475</b>	<b>-2</b>	<b>-3</b>	<b>470</b>
Less noncontrolling interest	-252			-252	-194			-194
<b>Net income attributable to shareholders of Fresenius SE &amp; Co. KGaA</b>	<b>367</b>	<b>-6</b>	<b>-4</b>	<b>357</b>	<b>281</b>	<b>-2</b>	<b>-3</b>	<b>276</b>

The special items are reported in the Group Corporate/Other segment.

## Reconciliation according to U.S. GAAP Q1-3 2015 / Q1-3 2014

The Group's U.S. GAAP financial results as of September 30, 2015 and September 30, 2014 comprise special items. Net income attributable to shareholders of Fresenius SE & Co. KGaA was adjusted for these special items. The table below shows the special items and the reconciliation from net income (before special items) to earnings according to U.S. GAAP.

€m	Q1-3/2015 before special items	efficiency program	integration costs for acquired Rhön hospitals	disposal gains from two HELIOS hospitals	Q1-3/2015 according to U.S. GAAP (incl. special items)	Q1-3/2014 before special items	Fenwal integration costs	integration costs for acquired Rhön hospitals	disposal gains from two HELIOS hospitals	disposal gain from Rhön stake	Q1-3/2014 according to U.S. GAAP (incl. special items)
<b>Sales</b>	20,369				20,369	16,711					16,711
<b>EBIT</b>	2,849	-50	-12	34	2,821	2,223	-6	-12	22	35	2,262
Interest result	-476				-476	-431					-431
<b>Net income before taxes</b>	2,373	-50	-12	34	2,345	1,792	-6	-12	22	35	1,831
Income taxes	-703	16	2		-685	-529	2	3	-1	-1	-526
<b>Net income</b>	1,670	-34	-10	34	1,660	1,263	-4	-9	21	34	1,305
Less noncontrolling interest	-661				-661	-495					-495
<b>Net income attributable to shareholders of Fresenius SE &amp; Co. KGaA</b>	1,009	-34	-10	34	999	768	-4	-9	21	34	810

The special items are reported in the Group Corporate/Other segment.

## Share Information

### Share key facts

Number of shares <sup>1</sup>	544,999,890
WKN / ISIN	578560 / DE0005785604
Ticker symbol	FRE
Bloomberg symbol	FRE GR
Reuters symbol	FREG.de

### ADR key facts

Ratio	4 ADRs = 1 ordinary share
ADR CUSIP / ISIN	35804M105 / US35804M1053
Ticker symbol	FSNUY
Exchange	OTCQX International Premier
Structure	Sponsored Level I ADR
Depository bank	Deutsche Bank

<sup>1</sup> As of September 30, 2015

## Financial Calendar 2016

24.02.2016	Report on FY 2015
03.05.2016	Report on 1 <sup>st</sup> quarter 2016
13.05.2016	Annual General Meeting, Frankfurt/Main
02.08.2016	Report on 2 <sup>nd</sup> quarter 2016
27.10.2016	Report on 3 <sup>rd</sup> quarter 2016

Please note that these dates could be subject to change.

### Contact

Investor Relations  
Fresenius SE & Co. KGaA

phone: +49 6172 608-2487  
e-mail: [ir-fre@fresenius.com](mailto:ir-fre@fresenius.com)

For further information and current news: <http://www.fresenius.com>